

FEDERAL TELEPHONES
ONLY RECOMMENDEDBurlison Report to Senate Favors
Competition Then With
Telephone Lines.

UNWISE TO BUY LATTER

Merging of Postal and Tele-
phone Business Would Re-
duce Rates, It Is Said.

WASHINGTON, Jan. 31.—The ground-
work for renewed agitation in favor of
a Government monopoly of the telephone
and telegraph lines of the country was
laid today when the Postmaster-General
gave to the Senate a report and recom-
mendation in response to a resolution
introduced by Senator Norris of Nebraska.
They contain all the facts and figures on
which the Postmaster-General based
the statements in his recent report
in favor of Government ownership of
these public utilities.

The report was compiled after careful
investigation by Daniel C. Rogers, First
Assistant Postmaster-General; M. C.
Chance, chief clerk of the Department,
and J. C. Coons, superintendent of the
divisions of salaries and allowances.

While the recommendations of the
Burlison commission apparently con-
template only the purchase by the Govern-
ment of the telephone lines, the plan
seems to be to have these lines equipped
also for telegraphic service and to enter
into competition with the existing tele-
graph services of the country.

The commission says:
"The only way to afford to the people
the complete and modern postal facilities
that the Constitution makes it the duty
of the Government to provide is to put
into effect the following recommendations:

"That Congress declare a public mon-
opoly over all telegraph, telephone and
radio communication and such other
means for the transmission of intelligence
as may hereafter develop.

"That Congress acquire by purchase at
appraised value the telegraph and tele-
phone network except the former lines."

"That Congress authorize the Postmas-
ter-General to issue in his discretion and
under such regulations as he may pre-
scribe revocable licenses to operate tele-
graph, telephone and radio facilities to
private individuals, associations, com-
panies and corporations of the telegraph
service and such parts of the telephone
service as may not be acquired by the
Government."

Says United States Is Alone.

The commission says that the United
States alone of the leading countries of
the world has left to private enterprise
the ownership and operation of telephone
and telegraph facilities.

It is found, says the commission, that
the telegraph plant of the United States
consists of 247,000 miles of pole line,
carrying about 1,800,000 miles of wire.
The capitalization of the land wires segre-
gated is estimated at \$150,000,000.

Including the ocean wires and submarine
cables the capitalization probably would
amount to \$200,000,000.

The commission complains that tele-
graph facilities have not been extended
to small towns and villages along with
the Government postal facilities, nor has
the cost of service been reduced in the
inverse proportion that would be war-
ranted by the increasing volume of
business transacted.

Statistics show, the commission asserts,
that although the United States out-
ranks all other countries in postal trans-
actions per capita in respect to telegraphs
it is outranked by eight other countries.

The commission complains that all the
important countries save the United
States, Canada and Mexico have bound
themselves by an international agreement
to observe uniform regulations in the ad-
ministration of their telegraph service.

"With a view to affording the people the
most efficient service at the lowest cost
require the use of the latest and best
improvements in the telegraphic art and
prescribe the manner and method of re-
ceiving, transmitting and delivering tele-
grams and the rate of tolls to be collected.
The privately owned telegraph companies
of the United States, Canada and Mexico
to the detriment of the people have re-
mained outsiders to these international
rules and regulations."

American Delegates Hindered.

The commission points out that at the
international radio conference in London
in 1912 the delegates from the United
States signed the treaty only with the
humiliating condition that as the telegraph
States in the United States were owned by
private companies this country must ab-
stain from all regulations concerning
tolls.

The use of the telephone in all walks
of life is steadily increasing, while the
use of the telegraph is relatively station-
ary and therefore decreasing, says the
commission.

"Telegraph companies," says the re-
port, "have already lost for the most part
the short distance business owing to the
and they probably will lose much of the
development of the toll telephone service
long distance business when the toll rates
become adjusted on a cost basis."

The report says that this condition was
undoubtedly foreseen by the telegraph
companies several years ago. Mr. Bur-
lison's commission says that before the ac-
quisition of the Western Union company
by the American Telephone and Tele-
graph Company the former contemplated
improvements whereby the telephone
would be added to the telegraph service.

"This attitude on the part of the West-
ern Union company," says the report,
"was an underlying reason why its prop-
erty was acquired by the Bell interests."

The commission holds that the acqui-
sition of the telegraph service of the coun-
try would necessitate taking over the
duplicate plants of the two big telegraph
companies with their duplicate expenses
of maintenance, whereas one could be
made to serve the same territory. It is
contended also that the entire plants of
these two companies would be inadequate
for the purpose of the Government be-
cause their facilities have been extended
only to profitable territory.

Estimates on the Cost.

The commission estimates that it would
cost the Government at least \$175,000,000
to superimpose the telephone feature on
the present telegraph systems. When this
is added to the estimated value of the
telegraph land lines the total cost would
be \$225,000,000.

The commission estimates that this is
\$200,000,000 in excess of the value of the
telegraph and long distance telephone
network, while the expense of equipping
the latter system for telegraphing would
be almost negligible.

"In view of the foregoing," says the
report, "it is the opinion of your com-
mission that it would be unwise from a
commercial standpoint for the Government
to acquire the telegraph systems of the
country."

The commission contends that if the
telephone and postal services of the coun-
try were merged and operated under
Government control it would be feasible
to transfer a large number of the tele-
phone offices to post office buildings and
thus greatly reduce the aggregate expense
of operation. The office and building re-
ductions in the total number of employees
required.

"There is no doubt," says the report,
"that the institutional efficiency of the
telephone and telegraph services in this
country would be increased by Govern-

ment ownership. Statistics show that in
the United States compared with other
countries the number of telephone calls
per employee is relatively low, while the
number of mail pieces per employee is
relatively high.

"The superimposing of the telegraph
feature on the telephone service might be
gradually brought about at small cost.
The long distance lines of the American
Telephone and Telegraph Company can
be and in some instances actually are
used for telegraphing simultaneously with
telephoning.

"There is no reason why the toll lines
should not be utilized in the same way.
The addition of the telegraph feature to
the interurban telephone system of the
country would much more than duplicate
existing commercial telegraph systems."

According to the estimate of the com-
mission, the total capitalization of the
long distance and toll lines represents ap-
proximately \$200,000,000 and the total
capitalization of the entire commercial
telephone network approximately \$300,-
000,000.

"The cost to the Government," says the
report, "would be less than the appraised
value, since it would be undesirable for
the Government to purchase the real estate
holdings, such as exchanges and
office buildings."

The commission holds that it would not
be necessary to carry through the entire
transaction of acquiring the telephone
lines at once, as there are about
3,000 companies or distinct legal prop-
rietaryships. The payment might be dis-
tributed through a period of several years.

"It is not believed," says the commis-
sion, "that any serious difficulty would
be encountered in financing the propo-
sition, as the extinction of the securities
of the superseded companies by Govern-
ment acquisition would be likely to create
a demand for an equal amount of other
securities and it would be but natural
that a large amount of the bonds issued
from time to time by the Government
would be purchased by the former holders
of telephone securities."

MAIL SEES PLAN'S FAILURE.

**Says He Doesn't Expect Government
to Take Over Lines.**

Theodore N. Vail, president of the
American Telephone and Telegraph Com-
pany, commenting for THE SUN last night
on the use of his statement that the tele-
phone "must be under common control" in
Postmaster-General Burlison's report
recommending Government control of
telegraph and telephone lines, said:

"My statement that the telephone busi-
ness must be under common control and
sufficiently strong to constitute practi-
cally one system, intercommunicating,
interdependent, and universal, is not at all
an argument for Government ownership.

"It is true that there must be one big
system, so that every man can reach every
other man, but Government control of
such a system could not be conducted ef-
ficiently. The frequent changes of ad-
ministration would produce disorganiza-
tion in the conduct of the business.

"If the Government could operate the
system with the same efficiency as a pri-
vate concern does that would be another
thing, but it cannot, and I don't believe
it will ever attempt to do so."

Contradicts Efficiency Plea.

"There is a widespread conviction that
public operation is inefficient. Doubtless
this is true in some kinds of employment.
But there is an exception. Such, for
example, is the rural and city carrier
with his scheduled route and deliveries,
and so is almost the whole postal system.
So too would be the work of the tele-
graph and telephone systems.

"The relatively prohibitive rates of the
Bell system have relegated the services to
a comparatively small volume of activity,
whereas the low rates in Norway have en-
larged the volume of business. In Norway
the Government controls the busi-
ness, as it does in New Zealand and in
most of Europe. In New Zealand the
rate is 12 cents, half of the rates in this
country, whereas that country is equiva-
lent to one State here. They have eight
telegrams to 100 per capita there. In the
United States the proportion is 1-10 per
cent."

"With the single exception of Japan our
postal rates are the lowest among all
countries, and these rates are now paying
more than the cost of the service. For
telephone and telegraph service the rates
here are the highest in the world and the
efficiency is the lowest."

Argument on Other Side.

Samuel L. Powers of Boston, former
member of Congress, controverted the
arguments of Congressman Lewis.

"There are other questions than rates
and efficiency to be considered," he said.
"It is wise to extend the functions of our
Government from its present limitation? Can
the Government give as good a service
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CHEAP RATES IS PLEA
FOR U. S. WIRE LINESCongressman Lewis Says Nation
Could Also Give Better
Service.

"SOCIALISM" IS REPLY

Samuel L. Powers Defends Pri-
vate Enterprise Before
Republican Club.

An unusually large attendance marked
the Saturday discussion at the Republi-
can Club, on West Fortieth street, yester-
day because of wide interest in the sub-
ject announced. "Should the Federal Gov-
ernment Add the Telegraph and Tele-
phone Business to the Post Office Depart-
ment?"

A bill is now before Congress to carry
the proposition into effect, and Congress-
man David J. Lewis of Maryland, the
father of the proposed law, was the first
speaker.

"The important matter in connection
with the postalization of the telephone
and the telegraph," said Mr. Lewis, "is
that the rates as a whole should be lower
to the public as a whole under the Gov-
ernment ownership service, otherwise the
argument fails. Even if private persons
possessed an absolute monopoly, yet they
must fail to render the greatest public
service because the public service motive
would be absent. They would naturally
conduct the monopoly with the object of
profit, and usually the higher the price
charged the greater the profit.

"To illustrate this the Chicago and Mil-
waukee Telephone Company for many
years charged a rate of 15 cents for ten
words. After the American Telephone
and Telegraph Company secured control
of this lesser company the rates were
raised to 25 cents.

"In three years the volume of business
fell from 103,248 words to 57,689.

"By this transaction the Bell Company
gained the salaries of 100,000 operators
and two messengers, whom it was able to dis-
charge, by reducing the service to the
public by one-half.

"Such was and is the rule of private
financing. Under postal control, and
the public service motive the 15 cent rate
while it paid expenses—and it did—
would have remained. There is no such
motive unless the public or the postal
system is itself the owner.

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public operation is inefficient. Doubtless
this is true in some kinds of employment.
But there is an exception. Such, for
example, is the rural and city carrier
with his scheduled route and deliveries,
and so is almost the whole postal system.
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Store Opens
at 9 A. M.
Closes
at 6 P. M.

Lord & Taylor

Founded 1826

Telephone and
Mail Orders
Promptly
Filled.Annual February Sale and Removal Clearance
\$150,000 Worth of Dress Silks
At 1/2 Former Prices and Less

Goods intended for the New Store and many high class Silks from regular stock comprise this remark-
able offering. The determination to close out entirely all stocks before moving, including shipments of
Silks which have just come to hand, at an average of half their market value, is an event of compelling
interest.

*Lovely Crepe-de-Chines & Moire Broche,
Foulards, Dress Plushes, Velvets, Etc.*

Some Examples of These Great Values:

2500 Yards

Fancy Silks

40 inches wide, in about fifty dif-
ferent styles, including solid
colors and two-toned effects in
crepe-de-chine and moire broche;
also solid black or white broche,
and a good selection of fancy eve-
ning silks, etc. Regular prices
\$3.50 to \$5.50 per yard.....

\$1.95

Imported Dress Plushes

In all the desirable colors.
Regularly \$5.50 per yard

\$2.95

1200 Yards

Fine Pongee Dress Silks

(Natural color only), 36 inches
wide. Regularly \$1.75 per yard

78c

2500 Yards

Foulard Silks

40 inches wide, in allover and
bordered effects.
Regularly \$2.00 to \$3.00 per yard

95c

1000 Yards

Fancy Silks

In an extensive range of evening
colors.
Regularly \$1.50 to \$2.00 per yard

95c

Lyons Fancy Velvets

The balance of our importations
—all fresh, new goods.
Regularly \$12.50 to \$19.50 per
yard.

\$5.95

Early Showing of

Women's New Suits
for Spring 1914

High Class Suits for immediate wear, reproductions
of the best foreign models, fashioned of the smartest
materials for the coming season.

Exceptional values, on account
of removal, at prices ranging from

\$25.00 to \$100.00

Final Removal Sales

Women's Gloves

1 Clasp Tan Cape Gloves	Value \$1.50	95c
1 Clasp Grey Mocha Gloves	Value \$1.50	95c
2 Clasp White Glace Pique Gloves	Value \$1.50	\$1.10
Embroidered in black and white	Value \$1.50	
12 Button Black & White Glace Gloves	Value \$2.25	\$1.65
Overseam	Value \$3.50	\$2.95
16 Button White Doeskin Gloves	Value \$3.75	\$3.25
20 Button White Doeskin Gloves	Value \$3.75	\$3.25

Final Removal Sales

Women's Fur Coats
Muffs and Scarfs

<i>Fur Coats</i>		
<i>Seal-dyed Muskrat Coats</i>	Value \$125.00	<i>\$90.00</i>
<i>Mole Coney Coats</i>	Value \$125.00	<i>\$62.50</i>
<i>Caracul Coats</i>	Value \$75.00	<i>\$55.00</i>
<i>Seal-dyed Coney Coats</i>	Value \$72.50	<i>\$52.50</i>
<i>Blended Squirrel Coats</i>	Value \$175.00	<i>\$110.00</i>
<i>Persian Lamb Coats</i>	Value \$225.00	<i>\$165.00</i>
<i>Black Pony Coats</i>	Value \$42.50	<i>\$29.50</i>